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The following constitutes the order of the Court.
Signed: March 17, 2023

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Charles Novack
U.S. Bankruptcy Judge

Proposed Attorneys for
The Roman Catholic Bishop of Santa Rosa

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF CALIFORNIA
SANTA ROSA DIVISION

In re:

THE ROMAN CATHOLIC BISHOP OF
SANTA ROSA,

Debtor In Possession.

CASE NO. 23-10113

Chapter 11

Date: March 16, 2023
Time: 1:00 p.m.
Location: 1300 Clay Street, Ctrm. 215
Oakland, CA
[In person or via Zoom]
Judge: Hon. Charles Novack

Order Shortening Time

**INTERIM ORDER AUTHORIZING DEBTOR TO PAY PRE-PETITION WAGES,
SALARIES AND EMPLOYEE EXPENSES, TO PAY ACCRUED EMPLOYEE
BENEFITS AND TAXES, AND DIRECTING BANKS TO HONOR PAYROLL AND
EXPENSE CHECKS**

The motion of The Roman Catholic Bishop of Stockton ("Debtor in Possession") seeking entry of an order authorizing the Debtor in Possession to pay prepetition wages, salaries and employee expenses, to pay accrued employee benefits and taxes, and directing banks to honor payroll and expense checks (the "Motion"), came on for hearing on March 16, 2023, at 1:00 p.m.,

1 in Courtroom 215 of the United States Bankruptcy Court for the Northern District of California.
2 The Debtor in Possession appeared through its counsel, Paul J. Pascuzzi. Other appearances were
3 noted on the record. All capitalized terms used but not defined in this Order shall have the
4 meanings given to them in the Motion.

5 The Court has considered the Motion, the Declaration of Joe Oberting regarding
6 description of Debtor in Possession and Pre-Filing History filed on March 13, 2023, the
7 Declaration of Joe Oberting filed in support of this Motion, the United States Trustee's Omnibus
8 Objection to Debtor's First Day Motions [ECF Nos. 5, 6 and 8] and Reservation of Rights, and
9 the matters reflected in the record of the hearing held on the Motion on March 16, 2023. The
10 Court having found that it has jurisdiction over this proceeding; that this is a core proceeding; that
11 notice of the Motion has been given to the Office of the United States Trustee, the twenty largest
12 unsecured creditors, all secured creditors, and any applicable governmental entities; that no
13 further notice is necessary; that the relief sought in the Motion is in the best interests of the
14 Debtor in Possession, its estate, and its creditors; and that good and sufficient cause exists for
15 such relief.

16 Accordingly, it is hereby ORDERED as follows:

17 1. The Motion (docket no. 6) is GRANTED subject to the provisions hereof below.¹

18 2. The Debtor in Possession is authorized, but not directed, to pay to its Employees
19 all Employee Obligations, Employee Deductions and Employee Expenses that have accrued by
20 virtue of the services rendered by its Employees prior to the Petition Date up to the amounts
21 entitled to priority claim status under the provisions of section 507(a) of the Bankruptcy Code.
22 The Employee Obligations, Employee Deductions and Employee Expenses that the Debtor is
23 authorized to pay are described in the Motion and include, without limitation, the following:
24 wages, salary, retirement, healthcare and other benefit programs up to the amounts entitled to
25 priority claim status under the provisions of section 507(a) of the Bankruptcy Code.

26 3. The Debtor in Possession is authorized, but not directed, to pay all local, state, and
27 federal withholding and payroll taxes (including those accrued for pre-petition periods) or have

28 ¹ Capitalized terms have the definitions referenced in the Motion unless otherwise defined herein.

1 such taxes paid by third-party payroll administrators.

2 4. The Debtor in Possession is authorized, but not directed, to continue its practices,
3 programs and policies in effect as of the Petition Date with respect to all Employee Obligations
4 (including allowing employees to use time off accrued, but unused, as of the Petition Date) up to
5 the amounts entitled to priority claim status under the provisions of section 507(a) of the
6 Bankruptcy Code.

7 5. Debtor in Possession is not authorized to make its portion of payments for the
8 “frozen” Diocesan Defined Benefit Lay Plan until further order of the Court; provided however
9 that the Debtor in Possession is authorized to continue to administer the such payments by any
10 applicable Non-Debtor Catholic Entities.

11 6. The bank at which the Debtor in Possession maintains an account from which the
12 Debtor in Possession’s payroll obligations are disbursed and all other banks or lending
13 institutions maintaining payroll and employee benefits accounts are authorized, but not directed,
14 to honor and pay all pre-petition and post-petition checks issued or to be issued and fund transfers
15 requested or to be requested, by the Debtor in Possession in respect of the Employee Obligations,
16 Employee Deductions and Employee Expenses.

17 7. The Debtor in Possession is authorized, but not directed, to issue new post-petition
18 checks or fund transfer requests with respect to pre-petition obligations that may have been
19 dishonored by the banks relating to the Employee Obligations, Employee Deductions and
20 Employee Expenses, if necessary, to the extent such are up to the amounts entitled to priority
21 claim status under the provisions of section 507(a) of the Bankruptcy Code.

22 8. The Debtor in Possession is authorized, but not directed, to continue to administer
23 the insurance programs and Health Plan pursuant to the Servicing Agreements.

24 9. Nothing in this Order authorizes the Debtor in Possession to make any payments
25 that benefit, directly or indirectly, any credibly accused perpetrator of abuse, whether for wages,
26 support, housing, prepetition claims, retirement or otherwise.

27 10. The Debtor in Possession shall provide the U.S. Trustee a list of Employees to be
28 paid pre-petition wages or expense reimbursements under this Order including accrual dates and

1 amounts to be paid to each Employee and shall file with the Court a summary of the information.
2 If the U.S. Trustee notifies the Debtor in Possession within 3 business days that it objects to the
3 payment of any pre-petition expense reimbursement, the Debtor in Possession shall not reimburse
4 the business expense and may seek court authorization to reimburse the expenses at the final
5 hearing on this motion or at another time.

6 11. The Court shall retain jurisdiction to hear and determine all matters arising from
7 the implementation of this Order.

8 12. To the extent the fourteen day stay of Bankruptcy Rule 6004(h) may be construed
9 to apply to the subject matter of this Order, such stay is hereby waived.

10 13. The final hearing on the Motion shall be heard on April 5, 2023, at 11:00 a.m.
11 Opposition, if any, to the granting of the Motion on a final basis shall be filed by March 31, 2023.
12 The Debtor's reply to any opposition may be filed in advance of or raised at the hearing.

13 14. Counsel for the Debtor in Possession is directed to serve a copy of this Order on
14 all parties on the Limited Service List as defined in the Debtor's Motion for Order Establishing
15 Notice Procedures and to File Confidential Information Under Seal on file herein within three (3)
16 court days of the entry of this Order and to file a certificate of service with the Clerk of the Court.

17 APPROVED AS TO FORM.

18 OFFICE OF THE UNITED STATES TRUSTEE

19
20 By: /s/ Jason Blumberg
Jason Blumberg

21
22 * * * END OF ORDER * * *

Court Service List

No service required.